



November 20, 2004

Highlights of the Conference Report to Accompany H.R. 4818, the Fiscal Year 2005 Omnibus Appropriations Act

The Conference Report, H. Rept. 108-792, was filed on November 20, 2004.

Noteworthy

- H.R. 4818, the Foreign Operations Appropriations bill, is the legislative vehicle for the FY05 Omnibus Appropriations bill.
- The Conference Report includes \$388.4 billion in discretionary funding for the following nine appropriations bills that have not been signed into law: Agriculture, Commerce-Justice-State-Judiciary, Foreign Operations, Interior, Energy and Water, Labor-HHS-Education, Legislative Branch, Transportation-Treasury, and Veterans Affairs-HUD. This level holds FY05 spending within the \$821.9-billion cap on discretionary funding that was agreed to by President Bush and congressional appropriators.
- The Conference Report includes an across-the-board cut of 0.8 percent for each of the nine appropriations bill included in this Conference Report. It also rescinds \$300 million in non-war, non-emergency defense funds and implements limitations on expenditures from the Crime Victims Fund freeing up another \$283 million. The total savings from these three maneuvers is \$3.471 billion.
- The Conference Report drops provisions from House and Senate appropriations bills concerning overtime regulations, competitive sourcing, drug importation, and Cuba travel.
- The Conference Report includes \$577 million for Yucca Mountain, which is \$303 million below the Administration's request, but equal to the FY04 enacted level.

Highlights

Major Components of H.R. 4818

<u>BILL</u>	<u>BUDGET AUTHORITY</u>	<u>DISCRETIONARY SPENDING</u>
Agriculture	\$85.276 billion	\$16.982 billion
CJS	\$40.027 billion	\$40.027 billion
Energy and Water Development	\$28.793 billion	\$28.793 billion
Foreign Operations	\$19.8 billion	\$19.7 billion
Interior	\$20.091 billion	\$20.039 billion
Labor, HHS, and Education	\$485.1 billion	\$143.307 billion
Legislative Branch	\$3.57 billion	\$3.57 billion
Transportation, Treasury	\$89.9 billion	\$25.8 billion
Veterans Affairs, HUD	\$ 128.6 billion	\$ 93.5 billion
TOTAL	\$901.157 billion	\$ 388.4 billion¹

Bill Provisions

Agriculture (S. 2803, H.R. 4766) – Division A

The House passed H.R. 4766 on July 13, 2004; the Senate Appropriations Committee reported S. 2803 on September 14, 2004, but the Senate never began floor consideration.

The conference Report provides \$85.276 billion in budget authority for the FY05 Agriculture Appropriations bill, of which \$16.982 billion is discretionary spending.

Title I – Agricultural Programs

- The Conference Report provides \$27.09 billion.
- The Senate-reported bill included \$26.99 billion.

Title II – Conservation Programs

- The Conference Report provides \$999.9 million.
- The Senate-reported bill included \$993.9 million.

Title III – Rural Development Programs

- The Conference Report provides \$2.43 billion.
- The Senate-reported bill included \$2.44 billion.

Title IV – Domestic Food Programs

- The Conference Report provides \$52.53 billion.²

¹ The numbers actually add to \$391.718 billion, but after the across-the-board cut of 0.8 percent and other rescissions the total funding is \$338.4 billion.

- The Senate-reported bill included \$50.51 billion.

Title V – Foreign Assistance Programs

- The Conference Report provides \$1.53 billion.
- The Senate-reported bill included \$1.55 billion.

Title VI – Food and Drug Administration and Related Agencies

- The Conference Report provides \$1.56 billion.
- The Senate-reported bill included \$1.56 billion.

Presidential Veto Threat:

Section 776 of the Senate-reported bill would allow farmers and medical suppliers to obtain U.S. licenses to sell their products in Cuba. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, threatened to veto the Conference Report if this provision was included. **This provision is not contained in the Conference Report.**

Other Significant Issue:

- 1) Section 757 of the House-passed bill addresses drug importation. The President, in a Statement of Administration Policy dated July 13, 2004, strongly opposed this section. **This provision is not contained in the Conference Report.**
- 2) **The Conference Report does not include any Country-of-Origin Labels language.**

Commerce, Justice, State, Judiciary (S. 2809, H.R. 4754) – Division B

The House passed H.R. 4754 on July 8, 2004; the Senate Appropriations Committee reported S. 2809 on September 15, 2004, but the Senate never began floor consideration.

The conference Report provides \$40.027 billion in budget authority for the FY05 Commerce, Justice, State, Judiciary Appropriations bill, all of which is discretionary spending.

Title I – Department of Justice and Related Agency

- The Conference Report provides \$20.6 billion.
- The Senate-reported bill included \$20.39 billion.

Title II – Department of Commerce and Related Agencies

- The Conference Report provides \$6.7 billion.
- The Senate-reported bill included \$6.92 billion.

² \$46.9 billion is mandatory spending.

Title III – The Judiciary

- The Conference Report provides \$5.16 billion.
- The Senate-reported bill included \$5.36 billion.

Title IV – Department of State and Related Agency

- The Conference Report provides \$8.8 billion.
- The Senate-reported bill included \$8.54 billion.

Title V – Related Agencies

- **Federal Communications Commission (FCC)**

The Conference Report provides \$281 million.

The Senate-reported bill included \$281 million.

- **Federal Trade Commission (FTC)**

The Conference Report provides \$205 million.

The Senate-reported bill included \$207.7 million.

- **Securities and Exchange Commission (SEC)**

The Conference Report provides \$913 million.

The Senate-reported bill included \$913 million.

- **Small Business Administration (SBA)**

The Conference Report provides \$580 million.

The Senate-reported bill included \$761.9 million.

Presidential Veto Threat:

The President, in a Statement of Administration Policy, dated July 7, 2004, threatened a veto if any provision weakened the USA PATRIOT Act. **No such provision was included in the Conference Report.**

Energy and Water Development (Senate Draft, H.R. 4614) – Division C

The House passed H.R. 4614 on June 25, 2004; the Senate Subcommittee on Energy and Water Appropriations never released a draft of its FY05 bill.

The conference Report provides \$28.793 billion in budget authority for the FY05 Energy and Water Development Appropriations bill, all of which is discretionary spending.

Title I – Department of Defense—Civil Corps of Engineers

- The Conference Report provides \$4.7 billion for the Defense Department—Civil Corps of Engineers.

Title II – Department of Interior

- The Conference Report provides \$964 million.

Title III – Department of Energy

- The Conference Report provides \$23.3 billion.

Title IV – Independent Agencies

- **Nuclear Regulatory Commission**

The Conference Report provides \$129 million.

- **Appalachian Regional Commission**

The Conference Report provides \$66 million.

- **Denali Commission**

The Conference Report provides \$67 million.

Presidential Veto Threat:

No veto threats were issued against this bill.

Other Significant Issues:

The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, strongly urged Congress to adopt the Administration's proposal to facilitate the long-term financing for the Yucca Mountain Nuclear Waster Repository project. **The Conference Report includes \$577 million for Yucca Mountain.**

Foreign Operations, Export Financing, and Related Programs **(S. 2812, H.R. 4818) – Division D**

The House passed H.R. 4818 on July 15, 2004; the Senate passed S. 2812 on September 23, 2004.

The Conference Report provides \$19.8 billion in budget authority for the FY05 Foreign Operations Appropriations bill, of which \$19.7 billion is discretionary spending.

Title I – Export and Investment Assistance

- The Conference Report provides -\$60 million.
- The Senate-passed bill included -\$5.08 million.

Title II – Bilateral Economic Assistance

- The Conference Report provides \$13.3 billion.
- The Senate-passed bill included \$13.12 billion.

Title III – Military Assistance

- The Conference Report provides \$5 billion.
- The Senate-passed bill included \$5.05 billion.

Title IV – Multilateral Economic Assistance

- The Conference Report provides \$1.6 billion.
- The Senate-passed bill included \$1.46 billion.

Presidential Veto Threat:

The Senate-passed bill included language that modified the Kemp-Kasten provision in current law and overturned the Administration's family planning policy (commonly known as the "Mexico City" policy). The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, threatened to veto the Conference Report if this provision was included. **The Conference Report maintains current-law for Kemp-Kasten and Mexico City.**

Other Significant Issues:

1) Both the House and Senate-passed bill funded the Millennium Challenge Account (MCA) at levels under the President's \$2.5 billion request, the House at \$1.25 billion and the Senate \$1.12 billion. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, strongly urged Congress to reallocate funds more closely with the President's request for this program. **The Conference Report includes \$1.5 billion for the MCA.**

2) The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, strongly urged Congress to adopt the Senate level and Administration request for the Global HIV/AIDS Coordinator's Office. The House provided \$1.26 billion and the Senate provided \$1.45 billion, the budget request. **The Conference Report includes \$1.385 billion for the Global HIV/AIDS Coordinator's Office.**

Interior (S. 2804, H.R. 4568) – Division E

The House passed H.R. 4568 on June 17, 2004; the Senate Appropriations Committee reported S. 2804 on September 14, 2004, but the Senate never began floor consideration.

The conference Report provides \$20.09 billion in budget authority for the FY05 Interior Appropriations bill, of which \$20.04 billion is discretionary spending.

Title I – Department of Interior

- The Conference Report provides \$9.89 billion.
- The Senate-reported bill included \$9.88 billion.

Title II – Related Agencies

- The Conference Report provides \$9.78 billion.
- The Senate-reported bill included \$9.89 billion.

Title IV³ – Emergency Wildland Fire Appropriations

- The Conference Report provides \$500 million.
- The Senate-reported bill included \$500 million.

Presidential Veto Threat:

No veto threats were issued against this bill.

Other Significant Issues:

- 1) The Senate-reported bill included language that allows the Army Corps of Engineers to adjust the flow of water in the Missouri River so that more water could be kept in upstream states. **This provision is not contained in the Conference Report.**
- 2) Section 331 of the House-passed bill prevents the Department of Interior from improving its management through competitive sourcing. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, urged Congress to delete this provision. **The Conference Report includes a provision similar to the Senate-reported bill, which places controls on the amount of money that can be spent on competitive sourcing studies, but basically defers to the competitive sourcing guidelines agreed to under the Transportation, Treasury Appropriations Division. The Transportation, Treasury Division does not include language blocking the Administration's competitive sourcing initiative.**
- 3) During House debate of H.R. 4568, an amendment to prohibit the use of funds to permit recreational snowmobile use in Yellowstone National Park (YNP) failed 198-224. **The Conference Report includes a provision protecting from litigation the recently announced winter use plan for YNP for the 2004-2005 winter season, which includes a cap on the number of entries and a requirement for Best Available Technology.⁴**

Labor, Health and Human Services, and Education **(S. 2810, H.R. 5006) – Division F**

The House passed H.R. 5006 on September 9, 2004; the Senate Appropriations Committee reported S. 2810 on September 15, 2004, but the Senate never began floor consideration.

³ This is not a typo, the Conference Report does not include a Title III, but does include a Title IV.

⁴ This provision only applies for this upcoming season that starts in a month, and for which people have already made plans and reservations.

The Conference Report provides \$485.1 billion in budget authority for the FY05 Labor, Health and Human Services, and Education Appropriations bill, of which \$143.3 billion is discretionary spending.

Title I – Department of Labor

- The Conference Report provides \$15.4 billion.
- The Senate-reported bill included \$15.43 billion.

Title II – Department of Health and Human Services

- The Conference Report provides \$375.3 billion.
Within these funds, \$633 million is included for global HIV/AIDS activities.
- The Senate-reported bill included \$370.34 billion.

Title III – Department of Education.

- The Conference Report provides \$59.7 billion.
- The Senate-reported bill included \$61.48 billion.

Presidential Veto Threat:

Both the House-passed and Senate-reported bills included provisions that are designed to restrict the Department of Labor's ability to enforce the final rule on overtime compensation, which went into effect on August 23, 2004. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, threatened to veto the Conference Report if either provision was included. **This provision is not contained in the Conference Report.**

Other Significant Issues:

1) The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, strongly urged Congress to include language adopted in the House-passed bill, which ensures that health care providers are not discriminated against because they do not provide, pay for, or cover abortions (commonly known as "Conscience Protection"). **The provision is included in the Conference Report.**

2) **The Conference Report includes \$2.2 billion for Low Income Home Energy Assistance Program (LIHEAP). Of these funds, \$300 million were designated as emergency funds.**

Legislative Branch (S. 2666, H.R. 4755) – Division G

The House passed H.R. 4755 on July 12, 2004; the Senate passed S. 2666 on September 21, 2004.

The conference Report provides \$3.57 billion in budget authority for the FY05 Legislative Branch Appropriations bill, all of which is discretionary spending.

The Senate

- The Conference Report provides \$726 million.
- The Senate-passed bill included \$725.1 million.

The House of Representatives

- The Conference Report provides \$1 billion.
- The House-passed bill included \$996 million.

Presidential Veto Threat:

No veto threats were issued against this bill.

**Transportation, Treasury and Independent Agencies
(S. 2806, H.R. 5025) – Division H**

The House passed H.R. 5025 on September 22, 2004; the Senate Appropriations Committee reported S. 2806 on September 15, 2004, but the Senate never began floor consideration.

The conference Report provides \$89.9 billion in budget authority for the FY05 Transportation, Treasury and Independent Agencies Appropriations bill, of which \$ 25.8 billion is discretionary spending.

Title I – Department of Transportation

- The Conference Report provides \$12.4 billion.
- The Senate-reported bill included \$12.71 billion.

Title II – Department of Treasury

- The Conference Report provides \$11.2 billion.
- The Senate-reported bill included \$11.18 billion.

Title III – Executive Office of the President and Funds Appropriated to the President

- The Conference Report provides \$770 million.
- The Senate-reported bill included \$754.2 million.

Presidential Veto Threats:

1) Sections 517 and 518 of the House-passed bill continue the current-law provision prohibiting the expenditure of funds for abortions under the Federal Employees Health Benefits Program (FEHBP) unless the life of the mother is in danger or the pregnancy is a result of an act of rape or incest. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, threatened to veto the Conference Report if this

provision was *not* included. **The Conference Report includes the current-law provision.**

2) The House-passed bill contained a provision that would impede the implementation of a March 2002 proposed rule that would grant foreign carriers a two-year grace period before requiring manufacturing certification of commercial vehicles. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, noted that while this language does not prevent the Administration from fulfilling its NAFTA language, he threatened to veto the Conference Report if a provision was included that did prevent fulfilling its NAFTA language. **The provision is included in the Conference Report.**

3) Section 222 of the Senate-reported bill would prohibit funding for the travel restriction to Cuba. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, threatened to veto the Conference Report if this provision was included. **This provision is not contained in the Conference Report.**

4) Section 646 prohibits the use of funds related to the 2003 version of A-76, which would effectively limit the effectiveness of the Administration's competitive sourcing initiative. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, threatened to veto the Conference Report if this provision was included. **This provision is not contained in the Conference Report.**

Other Significant Issues:

1) The House-passed bill and the Senate-reported bill each included a 3.5-percent government-wide civilian pay raise. The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, urged Congress to implement a 2.5-percent raise currently expected to go into effect in January 2005. **The Conference Report includes the 3.5-percent government-wide civilian pay raise.**

2) In the annual fight over Amtrak funding, the House accepted the Senate-reported level, which was \$300 million above its level, though the funding did include budget reforms that were sought by the House. **The Conference Report includes \$1.2 billion for the National Railroad Passenger Corporation (more commonly known as Amtrak).**

Veterans, Housing and Urban Development and Independent Agencies (S. 2825, H.R. 5041) – Division I

The House Appropriations Committee reported H.R. 5041 on September 9, 2004; the Senate Appropriations Committee reported S. 2825 on September 21, 2004, but the Senate never began floor consideration.

The Conference Report provides \$128.6 billion in budget authority for the FY05 Veterans, Housing and Urban Development Appropriations bill, of which \$93.5 billion is discretionary spending.

Title I – Department of Veterans Affairs

- The Conference Report provides \$68.1 billion (including collections).
- The Senate-reported bill included \$68.1 billion (including collections).

Title II – Department of Housing and Urban Development

- The Conference Report provides \$26.2 billion.
- The Senate-reported bill included \$36.2 billion.

Title III – Independent Agencies

- **Corporation for National Community Services**

The Conference Report provides \$578 million.

The Senate-reported bill provided \$590.1 million.

- **Environmental Protection Agency (EPA)**

The Conference Report provides \$8.08 billion.

The Senate-reported bill provided \$8.5 billion.

- **National Aeronautics and Space Administration**

The Conference Report provides \$15.9 billion.

The Senate-reported bill provided \$16.34 billion.

- **National Science Foundation**

The Conference Report provides \$5.5 billion.

The Senate-reported bill provided \$5.75 billion

Presidential Veto Threat:

No veto threats were issued against this bill.

Other Significant Issues:

1) The President, through a letter from OMB Director Josh Bolten dated November 17, 2004, stated that the Administration could not accept the House-reported bill's level of funding nor did it support the Senate's use of emergency funding to help achieve the requested level for the National Aeronautics and Space Administration (NASA). **The Conference Report includes \$16.2 billion for NASA, none of which has been designated as emergency funding.**

2) The Conference Report does not include re-authorization language for the Milk Income Loss Contract program.